

PIKE COUNTY MISSISSIPPI

COMPLIANCE REPORT

Compliance Special Reports

For the year ended *September 30, 2020*

SHAD WHITE

State Auditor

Stephanie C. Palmertree, CPA, CGMA

Deputy State Auditor

Joe E. McKnight, CPA

Director, County Audit Section



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race, religion, national origin, sex, age or disability.*

PIKE COUNTY

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PIKE COUNTY

SPECIAL REPORTS

PIKE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White
AUDITOR

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE ANNOTATED (1972))**

Members of the Board of Supervisors
Pike County, Mississippi

We have examined Pike County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code Annotated (1972)* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)* during the year ended September 30, 2020. The Board of Supervisors of Pike County, Mississippi is responsible for the County's compliance with those requirements.

Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Pike County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our procedures disclosed a certain instance of noncompliance with the aforementioned code sections. Our finding, recommendation, and your response is disclosed below:

Receiving Clerk and Assistant Receiving Clerks.

Finding 1: Assistant Receiving Clerks were not bonded individually.

Applicable State Law: *Section 31-7-124, Mississippi Code Annotated (1972)*, requires, Assistant Receiving Clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned and approved as provided by law. In addition, *Section 25-1-15(2)*, requires a new bond every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

Finding Detail: The County's Assistant Receiving Clerks are bonded under a blanket bond for \$50,000. The County did not comply with state laws. Failure to comply with state statutes would limit the amount available for recovery if a loss occurred over multiple terms.

Recommendation: The County should cancel the blanket bond and obtain individual bonds for the Assistant Receiving Clerks in the amount of \$50,000 for a period of time concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.

Official Response: The County will comply with recommendation presented and will reduce the number of Assistant Receiving Clerks.

Repeat Finding: No

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*.

Pike County's response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended for use in evaluating Pike County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe E. McKnight". The signature is fluid and cursive, with the first and last names being more prominent.

JOE E. MCKNIGHT, CPA
Director, County Audit Section
Office of the State Auditor

PIKE COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2020

Our tests did not identify any purchases from other than the lowest bidder.

PIKE COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2020

Schedule 2

Our tests did not identify any emergency purchases.

PIKE COUNTY

Schedule 3

Schedule of Purchases Made Noncompetively From a Sole Source
For the Year Ended September 30, 2020

<u>Date</u>	<u>Item Purchased</u>		<u>Amount Paid</u>	<u>Vendor</u>
1/10/2020	2 Luminex II Court Reporting Machines	\$	10,290	Stenograph, LLC

PIKE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White
AUDITOR

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Pike County, Mississippi

In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions to ensure compliance with legal requirements. The scope of our review covered the 2020 fiscal year.

We have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Payroll Clerk.

Finding 1: Public Officials Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

Applicable State Law: *Section 25-11-127(4)(a), Mississippi Code Annotated (1972)*, requires retirees to receive no more than one-half of the salary in effect for the position at the time of employment in a fiscal year.

Section 25-11-127(4)(b), Mississippi Code Annotated (1972), requires retirees, who make the election, to receive no more than twenty-five percent (25%) of the final average compensation used in calculating the retiree's service retirement allowance.

Section 25-11-127(4), Mississippi Code Annotated (1972), states, "Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment."

Finding Detail: During the testing of the County’s PERS Form 4Bs, we noted that some forms were not completed in their entirety and some employees were compensated more than allowed. We also noted that some forms were not filed within five (5) days while other forms were not filed at all.

Recommendation: The Board of Supervisors and Payroll Clerk should ensure the County complies with *Section 25-11-127(4) Mississippi Code Annotated (1972)* and PERS by properly filing of the Form 4Bs for rehires and adhering to PERS requirements.

Official’s Response: Adjustments are being made to comply with state law.

Repeat Finding: No

Circuit Clerk.

Finding 2: Public Officials Should Ensure Compliance with State Law over the Annual Financial Report.

Applicable State Law: *Section 9-1-43, Mississippi Code Annotated (1972)*, states, “There is created in the county depository in each county a clearing account to be designated as the “circuit court clerk civil clearing account,” into which shall be deposited: (a) all such monies and fees as the clerk of the circuit court shall receive from any person complying with any writ of garnishment, attachment, execution or any other like process authorized by law for the enforcement of a judgment; (b) any portion of any fees required by law or court order to be collected in civil cases; (c) all fees collected for the issuance of marriage licenses; and (d) any other money as shall be deposited with the court which by its nature is not, at the time of its deposit, public monies but which is to be held by the court in a trust or custodial capacity in a case or proceeding before the court.

Section 9-1-45(1), Mississippi Code Annotated (1972), states, “Each chancery and circuit clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a clerk’s spouse or children. Each chancery and circuit clerk shall provide any additional information requested by the Public Employees’ Retirement System for the purpose of retirement calculations.”

Finding Detail: During our review of Pike County, we noted that the following error on the Annual Financial Report as prepared by the Circuit Clerk:

- The Clerk failed to properly report income in the amount of \$1,898.96.

Failure to prepare the Annual Financial Report correctly may result in improper calculation of salary limitations, and ultimately retirement contributions for the Circuit Clerk, as well as the amount due to the County.

Recommendation: We recommend the Circuit Clerk prepare the Annual Financial Report accurately in the future and if already submitted, complete an amended report to the Office of State Auditor and PERS.

Official’s Response: We will comply.

Repeat Finding: No

Auditors Note: The Circuit Clerk paid the County \$1,898.96 on December 21, 2021 as evidenced by receipt number 18292.

Sheriff.

Finding 3: The Sheriff should strengthen internal controls over cash and receipt deposits.

Applicable State Law: *Section 25-1-72, Mississippi Code Annotated (1972), states, “All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter.”*

Finding Detail: We noted during our audit that the same employee receipts cash, prepares all bank deposits, posts receipts to the cash journal, prepares all bank reconciliations and prepares the monthly settlement reports. We also noted that receipts are not deposited in a timely manner. Failure to ensure proper internal controls over cash could result in the loss or misappropriation of public funds.

Recommendation: The Sheriff should ensure that there are adequate internal controls over the receipting, recording, and disbursing of cash in his office. We recommend that all revenue collected in the Sheriff’s Office be deposited timely.

Official’s Response: Effective immediately we will have administrative assistant verify money count creating a two-person money concept and sign receipt. We will also have a deputy accompany person chosen to deposit money.

Repeat Finding: No

Pike County’s responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the County and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



JOE E. MCKNIGHT, CPA
Director, County Audit Section
Office of the State Auditor

PIKE COUNTY

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PIKE COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2020
UNAUDITED

Name	Position	Company	Bond
Tazwell Bowsky	Supervisor District 1	Western Surety Co.	\$100,000
Samuel L. Hall	Supervisor District 2	Western Surety Co.	\$100,000
Robert J. Accardo	Supervisor District 3	Western Surety Co.	\$100,000
Jacob Joseph Gazzo	Supervisor District 4	Western Surety Co.	\$100,000
Carroll Lee Fortenberry, Jr.	Supervisor District 5	Western Surety Co.	\$100,000
Rebecca Buie	Chancery Clerk	Travelers	\$100,000
Tanuyon M. Dangerfield	County Administrator	Western Surety Co.	\$100,000
Tanuyon M. Dangerfield	Purchase Clerk	Western Surety Co.	\$75,000
Tammy A. Rayborn	Purchase Clerk	Western Surety Co.	\$75,000
Felicia D. Lewis	Receiving Clerk	Western Surety Co.	\$75,000
Blanket Bond	Assistant Receiving Clerks (6)	Western Surety Co.	\$50,000
Debra A. Evans	Inventory Control Clerk	Western Surety Co.	\$75,000
Wendell Alexander	Road Manager	Western Surety Co.	\$50,000
Roger A. Graves	Circuit Clerk	Western Surety Co.	\$100,000
Juanita H. Pounds	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Brenda Denise Robinson	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Leachia Ann Robinson	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Gina Lynn Mitchell	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Brenda R. Williams	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Kayla Ruth Roberts	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Billy M. Young	Constable	Western Surety Co.	\$50,000
Oliver B. James	Constable	Western Surety Co.	\$50,000
Mark E. Thompson	Constable	Western Surety Co.	\$50,000
Dennis W. Johnson	Constable	Travelers	\$50,000
James B. Brumfield	Sheriff	Western Surety Co.	\$100,000
Aubrey P. Rimes	Justice Court Judge	Western Surety Co.	\$50,000
Bryan C. Harbour	Justice Court Judge	Western Surety Co.	\$50,000
Melvin Hollins	Justice Court Judge	Western Surety Co.	\$50,000
Fulton D. Brewer	Justice Court Judge	Western Surety Co.	\$50,000
Andranette R. Jordan	Justice Court Clerk	Western Surety Co.	\$50,000
Velva Ratliff	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Angela R. Smith	Deputy Justice Court Clerk	Western Surety Co.	\$50,000

PIKE COUNTY

Schedule of Surety Bonds for County Officials – con't

For the Year Ended September 30, 2020

UNAUDITED

Name	Position	Company	Bond
Jason A. Newman	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Loretta D. Conerly	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Pamela A. Woods	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Takeia Monique Coleman	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Alice Fay Wilkinson	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Linda S. Moore	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Danyell Patrice Martin	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Phyllis Hughes Lumpkin	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Lederrick Deon Davis	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Alison Aline Lebatard	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Suzanna Lynn Morris	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Tonya Renea Baylor	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Gwendolyn J. Nunnery	Tax Collector	Western Surety Co.	\$100,000
Erica L. Wilson	Deputy Tax Collector	Western Surety Co.	\$50,000
Erica L. Guidry	Deputy Tax Collector	Western Surety Co.	\$50,000
Magan B. Harvey	Deputy Tax Collector	Western Surety Co.	\$50,000
Ashely Abraham	Deputy Tax Collector	Western Surety Co.	\$50,000
Bonnie Noel	Deputy Tax Collector	Western Surety Co.	\$50,000
Barbara D. Tate	Deputy Tax Collector	Western Surety Co.	\$50,000
Johanna J. White	Deputy Tax Collector	Western Surety Co.	\$50,000
Annette McGhee	Deputy Tax Collector	Western Surety Co.	\$50,000
Rebecca B. Rials	Deputy Tax Collector	Western Surety Co.	\$50,000
Delores T. Brown	Deputy Tax Collector	Western Surety Co.	\$50,000
Lee Ann Patterson	Deputy Tax Collector	Western Surety Co.	\$50,000
Jada S. Brown	Deputy Tax Collector	Western Surety Co.	\$50,000
Jennifer A. Privatte	Deputy Tax Collector	Western Surety Co.	\$50,000
Pamela M. Coleman	Deputy Tax Collector	Western Surety Co.	\$50,000
Laurie Allen	Tax Assessor	Travelers	\$50,000
William M. Johnson, Jr	Deputy Tax Assessor	Western Surety Co.	\$50,000
Angela R. Coulliette	Deputy Tax Assessor	Western Surety Co.	\$50,000
Mechelle L. Duncan	Deputy Tax Assessor	Western Surety Co.	\$50,000
Angela G. Washington	Deputy Tax Assessor	Western Surety Co.	\$50,000
Terry P. Boyd	Deputy Tax Assessor	Western Surety Co.	\$10,000
Kenya Fuller Lofton	Deputy Tax Assessor	Western Surety Co.	\$10,000
Lance E. Honea	Deputy Tax Assessor	Western Surety Co.	\$10,000
Ted M. Lofton	Deputy Tax Assessor	Western Surety Co.	\$10,000
Crystal Newton	Deputy Tax Assessor	Western Surety Co.	\$50,000
Alice M. Barnes	Deputy Tax Assessor	Western Surety Co.	\$50,000
Brenda Wicker Ramsey	Deputy Tax Assessor	Western Surety Co.	\$10,000
Johnnie A. Wharton	Deputy Tax Assessor	Western Surety Co.	\$50,000